

13
PROSPECTUS

OF THE

PHILADELPHIA


Ocean Steamship Company.



PHILADELPHIA:

KING & BAIRD, PRINTERS, 607 SANSOM STREET.

1859.



Digitized by the Internet Archive
in 2017 with funding from

This project is made possible by a grant from the Institute of Museum and Library Services as administered by the Pennsylvania Department of Education through the Office of Commonwealth Libraries

PROSPECTUS

OF THE

Philadelphia Ocean Steamship Co.

It is usual, and even obligatory upon the projectors of a public enterprise to publish their designs, and by way of inducement, hypothetically state the results held in contemplation.

In following this custom as a portion of their duty, the committee will indulge in no figured estimates, but in their room present facts and arguments, not so much to develop the merits of the present project as to recommend it to the serious consideration of every intelligent citizen of Philadelphia. They recognize in this community a profound sense of want and a generally admitted desire for Ocean Steamship communication with some foreign port; and while they are fully aware that neither this want nor desire have been evolved by the present condition of trade or from any recent combination of circumstances, but, on the contrary, that both have existed and obtained expression frequently during the last twenty years, they are persuaded that the same commercial apathy which defeated former efforts still threatens a like enterprise at the present day.

With the view, then, of exciting public thought, the great lever of progress, they first appeal to the patriotism and pride of their fellow-citizens before attempting to persuade their cold, unsympathetic and calculating capital; and when both have been done, they will rest the responsibility of definitively settling the commercial future of Philadelphia with the business men, capitalists, public corporations, and the public-spirited men of the community.

It may be stated in the outset that the progress of State development, the growth of the city, and the expansion of international trade has proved beyond controversion that since 1839, when the first effort of this nature was made, there has been no period during which a line of steamships would have failed to secure profitable patronage. The enlightened efforts of the public spirited men of that day, however, failed in procuring for Philadelphia the means for competition on the ocean. To this failure others have since been added, and up to the present moment the practicability and feasibility of sustaining such a line has never been attempted on Philadelphia capital. Notwithstanding that these failures were caused solely by the want of capital to start, and not the want of trade to support such an enterprise, it is even now inferentially argued that they indicated a general admission of incapacity to support profitably a local line of steamships. If such an argument is tenable when used in defence of a failure to start ocean lines it ought to be equally forcible as to railroads on land. Many years elapsed before the capital required to build the Pennsylvania Central could be touched, although the project was debated and recommended in every shape that fancy and figures

could suggest. Had that enterprise failed for want of capital until the present moment, would it be asserted that this failure indicated that the trade to be expected was inadequate to its support? Or will it be asserted that if it had been completed in 1843 instead of 1853 it would not have been profitable from the beginning, and to-day, possibly, be doing five times its present business? The necessity for constructing that line existed so soon as the public works of the State were found inadequate; and had it then been projected and completed, the same laws of accretion would have been in active operation and the hypothetical data of the prospectus of that day would have been realized as readily as those which finally induced subscription to its capital stock.

The same principles would have operated in procuring patronage to a steamship line if the capital had been procured. The laws of accretion would have prevailed instead of diminution. It would have accelerated the very trade by which it was to be supported, and it would have developed many of those sources of profit which were deemed inaccessible at the time of its projection. But we are not confined either to illustration or theory on this subject. Independent of Philadelphia capital, and despite of an apathy which has always been pregnant with hostile predictions, a line of steamers was established between this port and Liverpool. The success of that line until withdrawn for a foreign service is vouched for by those who controlled its workings and is capable of public demonstration. It was profitable under disadvantages which would not have been encountered by a home enterprise and thus in the most conclusive manner vindicated the capacity of this port

for foreign trade, and confirmed by actual experiment what was predicted for those projects which failed in securing sufficient means to put them in operation.

It is undeniable that the insuperable difficulty here has ever been the procurement of capital. Previous to 1839 the city had lost its commercial supremacy. With the declension of commerce, commercial enterprise declined. An interior direction was given to surplus capital and the minds and dispositions of business men diverted from strictly commercial pursuits. It was not only difficult, but wholly impossible to arrest this tendency, and hence no project for the ocean trade could obtain a hearing. It is therefore unjust and obstinately perverse for any man to assert that the failures of the past have in any manner proved that Philadelphia could not hitherto support profitably a line of ocean steamships.

But whatever doubts on the score of profit may have heretofore prevented business men from subscribing to such projects, the domestic attitude and commercial aptitude of Philadelphia now denies to them all foundation. Our city now stands before the business world fully prepared to engage in a contest for the rich rewards of commerce. She is the terminus of railroads reaching West, Northwest, South, and Southwest, which possess advantages as much envied by rival communities as they are unequalled in every requisite for successful competition. She is the metropolis of a State abounding in sources of inexhaustible wealth, which are in process of realization by means which can accommodate unlimited production. Her population have been reared to habits of domestic industry, and have established their wealth upon the substantial

and progressive development of manufacturing celebrity. In a word, Philadelphia to-day controls a combination of elements for success in foreign trade which characterizes her as the *best unoccupied port in the world for the employment of ocean steamships*.

It is manifest that the application of steam to the purposes of commerce has rendered competition by sailing vessels, to a certain extent, wholly impossible. Steamships now control the export and import trade between the chief commercial cities of Western Europe and the United States, and by their power of centralization they place the command of the seas, and hence the command of the trade of the world, in the possession of that nation or city where they are the most successfully employed. They have in fact become the *sine qua non* of foreign trade and that port which fails to employ them, especially if contiguous to one that does, must sooner or later sink into a condition of commercial vassalage and insignificance.

How nearly Philadelphia has been brought to that condition may be appreciated when it is stated that, for the want of steamships, she is already the jobber of New York importers to the extent of many millions annually, and the direct patrons of their ocean lines. Hence year by year her sailing vessels are crowded out of the field of international commerce and a less and less number of foreign craft find it profitable to enter our port. New York by steam and sail has commercial intercourse with sixty-five foreign countries, whilst Philadelphia has that relation only to twenty-five. The number of American and Foreign vessels cleared in 1858 from the several following ports will show that she stands in imminent danger of being

excluded from participating in the carrying trade of the ocean.

From New York,.....	2,837
“ Boston,	2,806
“ New Orleans,.....	1,129
“ Baltimore,.....	625
“ Philadelphia,.....	369
“ Charleston,	350
“ San Francisco,.....	314

For the same year we find that New York and Philadelphia cleared to the following ports relatively as follows :

	From New York.	Philadelphia.
To England and Scotland,.....	319	30
“ Cuba,	442	101
“ South American ports,.....	330	69
“ British West Indies,.....	142	51
“ France and French possessions,.....	84	13
“ China,	19	2

New York imported from China \$6,417,700 in value of tea and Philadelphia not a pound. Their gross imports for the same year stand respectively, \$170,280,887, \$12,890,369.

A comparative statement of the tonnage entered and cleared in 1858 will, however, give a more correct idea of the commerce of several important ports.

	New York.	Boston.	New Orleans.	Baltimore, San Fran.	Philad'a.	Charl'n.	
Entered,	1,694,219	665,442	583,776	156,810	147,175	156,671	126,573
Cleared,	1,460,998	621,504	733,393	164,411	225,460	119,878	145,617
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	3,155,217	1,286,946	1,317,169	321,221	372,635	276,549	272,190

New York employs forty-seven steamships on the

ocean with a tonnage of 100,604. Philadelphia none. In the coasting trade the former has a steam tonnage of 16,604 and the latter 9,150. The one employs a total of crews say 56,000 the other 5,000.

No one conversant with the actual distribution of imports from this city will for a moment believe that the above figures even approximate to the actual value of her trade in foreign goods. It is officially known that many millions of imports are freighted to New York for Philadelphia account. An equal amount possibly is purchased directly of New York importers, so that it may be estimated without fear of exaggeration that an amount of foreign goods equal to that officially reported is entered in adjacent ports. This fact very conclusively shows that the merchants of Philadelphia are compelled to find accommodation elsewhere, and at a fearful neglect to the shipping interests of this port.

A brief enumeration of some of the most prominent articles of exportation from the two ports will further show the tendency to centralization when steamships are employed.

Articles of State and Western Production.

Exports.	New York.	Philadelphia.
Beef,.....	\$1,312,957	\$281,010
Butter,.....	236,938	83,289
Cheese,.....	561,457	9,742
Clover Seed,.....	232,764	78,956
Ham and Bacon,.....	1,485,958	68,072
Hemp,.....	32,712	
Hides,.....	393,158	121
Hops,.....	23,562	624
Indian Corn,.....	1,331,570	439,017

Indian Meal,.....	234,945	150,264
Lard,	1,172,950	163,319
Pork,	1,169,707	205,154
Rye, Oats and small grain,.....	109,788	8,377
Tallow,.....	258,226	176,258
Wheat,	5,451,491	215,991
Wheat Flour,.....	7,017,790	1,293,228
Wool,.....	127,053	8,628
	<hr/>	<hr/>
	\$21,150,064	\$3,182,040

Articles of Southern Production.

Exports.	New York.	Philadelphia.
Cotton.....	\$8,368,500	\$87,512
Rosin and Turpentine.....	1,219,553	34,419
Tobacco.....	1,482,970	78,019
Rice	1,069,707	205,154
Molasses	48,824	14
	<hr/>	<hr/>
	\$12,289,554	\$405,118

Articles Manufactured from the Products of the South.

Exports	New York.	Philadelphia.
Manufacture of Tobacco.....	\$1,113,428	\$52,138
“ of Cotton.....	2,113,225	62,640
“ from Molasses.....	387,084	
“ from Turpentine.....	904,242	3,338
	<hr/>	<hr/>
	\$4,517,979	\$118,116
	New York.	Philadelphia.
Iron and Manufactures of Iron.....	\$2,293,826	\$762,084
Miscellaneous articles common to the pro- duction of both States.....	6,730,058	476,870

A comparative statement of domestic exports will give to Philadelphia the tenth rank.

New Orleans,.....	\$88,270,224
New York,	83,403,564
Mobile,.....	21,019,266
Charleston,	16,887,882
Boston,.....	15,273,792
San Francisco,	12,034,970
Baltimore,.....	9,878,386
Savannah,	9,499,636
Richmond,.....	6,346,399
Philadelphia,	5,613,224

We would not venture upon giving such statistics in a prospectus, which has for its object the statement of facts calculated to prove that the trade of Philadelphia justifies the establishment of a line of steamships, were we not convinced that in them is to be found irrefragable proof of the necessity of such an enterprise and of the means to make it profitable. Will any one contend that to-day, when the population of our State borders on 3,000,000, and of our city 600,000; when we have nearly fifteen hundred miles of canals and four thousand miles of railroads within the State, and Philadelphia is the terminus of twelve roads, earning a gross income of \$12,000,000; when the productions of our State nears \$500,000,000, of which the manufactories of the city and vicinity produce over \$170,000,000; when our coal mines and the production of iron, of cotton and woollen goods, outside of the city, yield not less than \$60,000,000, we should export in 1858 *only* \$5,613,224 *against* \$5,743,549 in 1820, or an average of \$6,884,970 from 1851 to 1859, against an average of \$8,581,333 from 1821 to 1829—when there was not a mile of canal or railroad within the State; when the population of the State was but little over 1,000,000, and of the city not 140,000; when no railroad entered

her limits, her manufactories scarcely commenced; when no coal was mined and but little iron produced; if, notwithstanding all this progress, and in addition to it, our present means of bringing the products of the West, North-west, South and South-west, by rail, sail and steam, it is contended that the present official returns of our exports includes *all the exported merchandise in and arriving in our city*, then indeed we have the most remarkable result ever recorded in the commercial progress of any city or nation in the world. If not, and the bare statement shows it to be impossible as well as preposterous, where then are the export-fruits of this progress and of these improvements? Go down to our wharves and trace the bales and boxes containing our manufactured wares, and you will find them *en route* by steam and sailing vessels, by canals and railroads, for New York, Boston and Baltimore, where again you will find them freighting foreign bound vessels. Again, go to our wharves and trace the freights of railroads terminating here, and you will find the same process repeated. It will thus be seen that Philadelphia has become the depot and the way-station of exportable goods, which freight the ships and steam-vessels of our northern neighbors. How much, or to what extent, we have no means of estimating, but we will venture to suggest that \$20,000,000 would not exceed the value of exported merchandise contributed to other ports by and through Philadelphia. The population of our State in 1821, exported a little over \$7.00 for each person; the same average, with our present population, should make our exports reach beyond \$20,000,000, leaving, to prove the above hypothesis true, our pre-

sent exports to be equalled by receipts of exportable goods from without the State.

If these statements approximate the truth, we have developed the fact, that we now pay freight on imported goods in New York, and give to the shipping of New York and Boston export cargoes, sufficient, in connection with our actual foreign trade, to support a line of steamships from this port, and furnish to sailing vessels twice the business they are now enabled to obtain. Why cannot all of this trade be concentrated here for the support of our own shipping? Why does New York export of southern productions, and articles manufactured from them, nearly \$17,000,000, whilst Philadelphia exports only about \$500,000, when the latter lies nearest the South by sea and by land? Why is there a disparity of nearly \$18,000,000 in the export of articles peculiar to the thrift of the Western and Middle States, when our railroads possess admitted superiority in many respects? The answer must be obvious, Philadelphia supports the shipping interests of other ports in preference to her own.

This policy has had a doubly injurious operation. It has prevented the expansion of foreign commerce here, and deprived our lines of railway and our coastwise steamers of an incalculable amount of trade, which would otherwise have sought this port. It has driven from us and through us, and continues to do so, what would not only have built up a steam marine to rival that of New York, but it would also have accelerated our shipping trade until our ships were upon every sea, and come homeward bound from every port of the world. But for that we could have had steam lines to California, to Cuba, South America, to France, Ger-

many and England, and could have manufactured for the world and had the world for our market.

Before we turn to other views let us refer to what we have endeavored to establish. We have attempted to show—

1st. That former failures to establish steam lines were owing to the want of capital, and not the want of trade.

2d. That capital could not be procured for commercial purposes whilst the minds and dispositions of business men were directed to internal improvements.

3d. That there has been no period since the employment of steam vessels on the ocean, during which Philadelphia could not have supported a home-organized line.

4th. That if such a line had been started, commerce would have gone hand-in-hand with manufacturing, mercantile enterprise would have been cultivated, developing in progressive steps new sources of self-support.

5th. That whatever doubts prevented business men from encouraging such projects heretofore, Philadelphia is now beyond their influence, and is to-day the best unoccupied port in the world for the employment of ocean steamships.

6th. That our city has been prevented from participating in the expansion of international commerce, and has thereby been compelled to support the shipping of neighboring ports.

7th. That the support thus given would have not only sustained steamship lines, but would have furnished trade to sailing vessels, and added to the carrying trade of our railroads and coastwise steamers.

If this summing up will bear the test of reason and experiment, then the conclusion is undeniable that a line of steamships connecting Philadelphia with some foreign port is a commercial necessity and will be a commercial success to the projectors and stockholders. It would be superfluous for us to dwell upon the beneficial effects following success in foreign commerce.

The history of cities of ancient and of the present times, furnish ample proof that "whosoever commands the trade of the world commands the riches of the world." But we feel that it will not be unprofitable or inconsistent with our design to designate some of the most prominent interests in our community, for the purpose of begging their co-operation in a work from the benefits of which no individual resident of the city can escape. We appeal

1st. TO THE IMPORTING MERCHANTS.

The success of a steam line must increase your business by inducing general prosperity, must lessen your expenses, facilitate the entrance of your goods, reduce the loss of interest and the cost of insurance, and make this market more desirable to purchasers throughout the Union.

2d. TO THE COMMISSION MERCHANTS.

You require a more expanded market, means for larger transactions, certainty of shipments, induce-

ments to solicit more trade from the West, an outlet within your own control. Without steamships you must remain jobbers for home consumption.

3d. RAILROAD COMPANIES.

Steam upon the ocean is a counterpoise to steam upon land. They are links in the same chain, one of which being unused, the other can only be imperfectly employed. Add to the tonnage of this port and you initiate a trade movement, the influence of which will reach to the most distant terminus and connection of every road starting west or south from this point. Besides the freight now brought here for consumption and transshipment, the sale of breadstuffs and provisions for direct shipment hence, must constantly increase their eastward freights, and by having facilities afforded to such cities as Pittsburg, Cincinnati and St. Louis, for direct importations through this port, their westward freights will gain a new source of supply. Enlarging the commercial capacity of Philadelphia by the use of steam vessels, new business connections throughout the West and South will be made, and hence induce a greater business travel; and in addition, the same cause will effectually operate in bringing an amount of immigrant travel to this city now wholly beyond our reach.

4th. TO COASTWISE STEAMSHIP COMPANIES.

A direct monthly or semi-monthly communication with Liverpool or other foreign ports by steam, must attract articles of southern production to this city which never reach here, or only in limited quantities. Operations in cotton, rice, and tobacco, would then be open

to our capitalists and merchants, for which there is now no inducement. The same may be said of grain and flour. By affording immediate means of shipment hence of articles manufactured from southern productions, such manufactories would be started, and thus create a new demand for the raw material. If the South ships largely to Philadelphia she will buy largely.

5th. TO THE MONEYED INSTITUTIONS OF PHILADELPHIA.

The activity of business growing out of increased commercial facilities added to our manufacturing stability, will enlarge the operations in money; securities will be more reliable, transactions more rapid, borrowers more numerous and of a better class; and depositors will not only be multiplied, but be of larger means.

6th. TO OWNERS OF REAL ESTATE.

Wherever foreign commerce becomes the occupation of a portion of a community, every branch of trade and industry is quickened and expanded; and whilst supporting a constantly augmenting population, gives them the means to pay for new business-places and acquire new homes. An advance in real estate throughout the city and vicinity, will follow the success of steamships used in our trade, and create new demands for building both stores and dwellings.

7th. TO MARINE AND FIRE INSURANCE COMPANIES.

By increasing the number of voyages and the employment of better vessels, a greater number of risks will be offered on better protected craft. The increase

of personal property and buildings must be beneficial to companies not taking sea risks.

8th. TO MANUFACTURERS.

A period of commercial prosperity develops new wants and increases those in existence, rouses enterprise, makes capital more abundant, lessens the risks of credit, opens new sources of demand, gives employment to an increased number of people on more constant and profitable terms.

9th. TO ARTISANS, MECHANICS AND TRADESMEN.

In the multiplication of profitable employments, these classes will find new calls upon their facilities for production and supply and at better prices.

10th. DEALERS IN ARTICLES OF LUXURY.

Make Philadelphia a commercial emporium, and you will cultivate a taste for display, ornament and luxury, whilst you create the means by which it can be supported; attract wealth and refinement from abroad, and increase them both at home by making this city an important point for foreign trade and foreign travel, and you multiply your customers whilst you increase their ability.

11th. PASSENGER RAILROAD COMPANIES, HOTELS AND PLACES OF AMUSEMENT.

All of these mainly depend upon the active and floating population doing business in our city. Any project which will increase the activity of the one and the number of the other will add to their business.

12th. TO EVERY BUSINESS CONNECTED WITH SHIPS,
SHIPPING, AND SHIP FURNISHING.

By the employment of steamships in our trade, foreign capital will find profitable employment in developing commerce with ports to which our ships are now no longer cleared,—capital which is employed in other pursuits or idle, will seek opportunities for speculation and investment in articles of traffic—causing the building of new and the employment and furnishing of additional vessels, and generally accelerate in detail any species of labor and occupation appertaining to the use of ships.

Without entering into any further detail, it will be recognized by every man in the community, regardless of his occupation, whether humble or exalted, that he, as an individual, is interested in the success of this project, and if we have been at all successful in treating the subject we have clearly and indubitably proved that its success entirely depends upon the procurement of capital. Trade is ready to support, and our avenues to the West, and our facilities for production are prepared to increase that support to an unlimited extent. Subscribe the capital and success is inevitable. Subscribe the capital, and new lines to other ports will speedily spring into demand and obtain patronage. Subscribe the capital, and our sailing vessels will again touch at distant ports and go to and fro with valuable cargoes. In 1796, Philadelphia exported over \$17,500,000; in 1801, over \$17,400,000; in 1806, over \$17,300,000. Subscribe the capital, and have we not in 1859, facilities not in existence during any of those years to bring tenfold that trade here? And if we can bring

even the same amount we shall have \$12,000,000 of outward freights beyond what we have now to support either steamships or sailing vessels.

A prospectus is usually devoted to statements of the expenses and revenues of the projected enterprise; believing that no such statements can be made sufficiently accurate to be reliable, we shall depart from the custom and present in their stead some brief propositions, the results of experience and actual calculation, into which we invite the closest scrutiny. If these propositions succinctly stated are found to be true, there is no possible escape from the conclusion that a line of steamers will prove a profitable investment for money and thus be recommended to the most cautious in matters of public concern.

1st. Steamships of 2500 tons register can be built in Philadelphia and equipped for sea at a lower cost than any first-class ships of that size which have heretofore been employed in ocean navigation.

2d. By economical management, the running and other expenses can be reduced 20 per cent. below the usual expenditures of such steamships.

3d. Outward cargoes, consisting mainly of bread-stuffs, provisions, clover seed, and other articles of Western produce, can be placed on shipboard in Philadelphia at about 3 per cent. less cost than such cargoes can be placed on shipboard in New York.

4th. Cotton from the Southwestern States can be

placed in Liverpool via Philadelphia, by means of the proposed line of steamers, at a lower cost than it can from the same region via New Orleans by sailing vessels.

5th. The requirements of Philadelphia and Baltimore, to which may be added those Western cities having direct and economical communication with this city, must soon, if not at once, give full inward cargoes to the proposed line.

6th. Passengers to and fro between Europe and America, coming from or going to many of our interior States, must soon learn that a transit through Philadelphia is more convenient, comfortable and economical than one through any other Eastern city: and this fact once known will furnish a large revenue from such passengers.

7th. The use of steamships, in preference to sailing craft, has demonstrated the fact, that their periodical departures, speedy and certain voyages, trebles the merchants' facilities for completing business transactions and terminating risks: hence the use of steamships here will enable our own merchants, without additional capital or additional risk, to do threefold the amount of business they can do by means of sailing vessels.

Upon these data, in conclusion, we urge the project of the Philadelphia Ocean Steamship Company, upon citizens of Philadelphia, irrespective of their business or the amount of their means. Having, in the first

place, appealed to their interests and their pride as citizens—having shown them that we have every element for success—a trade now equal to the demands of the enterprise, and the means to enlarge it to an almost unlimited degree, we have summed up by showing that the trade can be done here at cheapness beyond the reach of those ports where steamships do a profitable business.

To start the enterprise upon a basis of entire responsibility, and secure its permanence, it will require at least five hundred thousand dollars. With this sum, two vessels of the size mentioned can be constructed and placed in active service. To those who subscribe the stock, however, we leave the subject of selecting the kind of steamers best adapted to our trade, and that passenger travel which pays the largest profit, as also the foreign port to which they shall be destined, intimating, nevertheless, that Liverpool possesses unrivaled inducements, and is generally held to be the natural destination of the line first established.

The Charter of the Company is in detail as to the general organization of the Company, and liberal in its grant of power to the Managers, whilst it stringently guards the interests of the corporators in every particular that can be admitted into such an instrument.

WE COMMEND THE ENTERPRISE TO THE CITIZENS OF
PHILADELPHIA.

EDWARD G. JAMES,	}	COMMITTEE.
HENRY WINSOR,		
ARCH. GETTY,		
HUGH CRAIG,		
HOWARD HINCHMAN,		
SAML. L. WITMER,		

